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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
GARY PIERCE- CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY CORP COMMISSION
PAUL NEWMAN DOCKET CONTROL
BRENDA BURNS

Arizona Corporation Commission

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DOCKETED BY

[Signature]

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
THE PROPERTIES OF UNS ELECTRIC, INC.
DEVOTED TO ITS OPERATIONS
THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. E-04204A-09-0206

**MOTION FOR
EXTENSION OF TIME TO FILE
RATE CASE**

Expedited Consideration Requested

UNS Electric, Inc. ("UNS Electric" or "Company"), through its undersigned counsel, hereby requests an extension until December 31, 2012, in which to file its next rate case. Under Decision No. 71914 (September 30, 2010), UNS Electric currently would have to file its next rate case by July 1, 2012, which is twelve (12) months after the Black Mountain Generating Station ("BMGS") was placed into the Company's rate base. However, UNS Electric believes that a six-month extension in that filing date is warranted because it will: (i) allow UNS Electric to use a test year that includes a full year of data with BMGS in rate base and (ii) provide some temporal separation between the rate case to be filed by UNS Electric and the rate case to be filed by UNS Electric's sister company, Tucson Electric Power Company ("TEP"), on June 30, 2012.

I. Background.

In Decision No. 71914, the Arizona Corporation Commission ("Commission") approved UNS Electric's rate base treatment of BMGS and a related rate reclassification upon completion of certain actions, including FERC approval of the transfer of BMGS to UNS Electric, customer notice of the rate reclassification and acquisition of BMGS by UNS Electric. FERC approved the

1 proposed transfer on June 8, 2011. The Company then undertook the required customer notice
2 and the final steps necessary to complete the transfer of BMGS to UNS Electric. The acquisition
3 of BMGS by UNS Electric was completed on July 1, 2011, and the rate reclassification went into
4 effect that day.

5 Under Decision No. 71914, UNS Electric was also required to file a rate case “no later than
6 12 months after any rate reclassification . . . using a twelve month test year with data reflecting
7 BMGS in rate base for no less than six months in the test year.”¹ Based on the date of the rate
8 reclassification, UNS Electric must file a rate case by July 1, 2012.

9 Additionally, the Commission provided that “[d]uring the sufficiency review, Staff shall
10 determine whether six months of such data is sufficient or whether additional months of actual
11 data is necessary to process the rate application.”² As a practical matter, in order to file a rate case
12 by July 1, 2012, UNS Electric would likely have to use a test year ending December 31, 2011.
13 This means that a July 1, 2012, rate case filing would have only the very minimum months of data
14 required by the Commission. That increases the potential that Staff may require a re-filing of the
15 rate case to include more months of data, effectively creating a situation where the Company
16 expends twice the resources.

17 Finally, UNS Electric’s sister company, TEP, has a rate case moratorium that expires on
18 June 30, 2012. In Decision No. 70628 (December 1, 2008), the Commission approved the
19 Settlement Agreement which provided that TEP would not submit a rate application sooner than
20 June 30, 2012, nor use a test year earlier than December 31, 2011. TEP will likely file its rate case
21 upon expiration of the moratorium. In light of the anticipated date for filing the TEP rate case, and
22 the rate case filing requirements for UNS Electric, those two rate cases could be filed almost
23 simultaneously.

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27 ¹ Decision No. 71914 at 78.

² *Id.*

1 **II. The Requested Extension with Provide Twelve Months of BMGS-related Data in the**
2 **Test Year.**

3 Granting the six month extension for UNS Electric's rate case filing will allow the
4 Company to provide a full twelve months of BMGS-related data in the rate case. Twelve months
5 of BMGS-related data eliminates the potential that Staff may find a lesser period of data to be
6 insufficient and require UNS Electric to re-do the entire rate case. It also reflects a full year of
7 heating and cooling seasons and ameliorates any concerns that a shorter period of BMGS data is
8 not truly reflective of the rate reclassification.

9 As a result, both the Company and the Commission Staff will not expend unnecessary
10 resources as they would if one rate case is filed, assessed by Staff, and then re-filed to include
11 more data.

12 **III. The Extension Avoids Identical Rate Case Tracks for UNS Electric and TEP.**

13 Moving the UNS Electric rate case filing deadline to December 31, 2012, eliminates
14 having the TEP and UNS Electric rate cases filed simultaneously. This provides the TEP and
15 UNS Electric rate personnel – who are the same personnel – from having to prepare and conduct
16 two rate cases at the same time. It also avoids strain on Commission resources by having two
17 large rate cases filed at the same time. Given typical rate case timelines, a six month separation
18 between the two rate cases will assist the Commission Staff in focusing its analysis on the TEP
19 rate case before having to turn to the UNS Electric rate case.

20 WHEREFORE UNS Electric requests that the Commission extend the filing deadline for
21 its rate case filing until December 31, 2012.

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RESPECTFULLY SUBMITTED this 10th day of November, 2011.

UNS Electric, Inc.

By

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Original and thirteen copies of the foregoing
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